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PP RUEHAG RUEHROV
DE RUEHMD #0178/01 0461813
ZNY CCCCC ZZH
P 151813Z FEB 08
FM AMEMBASSY MADRID
TO RUEHC/SECSTATE WASHDC PRIORITY 4284
INFO RUCNMEM/EU MEMBER STATES COLLECTIVE PRIORITY
RUEHLA/AMCONSUL BARCELONA PRIORITY 3308

C O N F I D E N T I A L SECTION 01 OF 05 MADRID 000178

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DEPARTMENT FOR EUR/WE

E.O. 12958: DECL: 02/18/2018
TAGS: [PGOV](#) [SP](#)
SUBJECT: SPAIN'S MARCH ELECTIONS: PP HOPING TO BREAK PSOE
HOLD ON ANDALUCIA

REF: MADRID 141 AND PREVIOUS

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Classified By: Deputy Chief of Mission Hugo Llorens for reasons 1.4 (b)
,(d).

11. (U) SUMMARY. This cable is one of a series of reports analyzing key issues in select Spanish autonomous regions and the role the regions might play in the March 9 general elections (REFTEL) and beyond. Giving Andalucia its due, Partido Popular (PP) leader and Presidential candidate Mariano Rajoy is expected to launch his official campaign in the Andalucian city of Cadiz. Current schedules call for the final two PP campaign rallies to be held in Seville and Madrid, recognizing the vote there will be critical. While Andalucia has been a socialist stronghold since the mid-1970s, there also has been a perceived shift to the right since the 1990s. With increasing prosperity in Andalucia and a possible loss in voter enthusiasm for the social welfare models that made the PSOE popular, some political forecasters believed Andalucia might have gone for the PP in 2004 if it had not been for the March 11 Madrid train bombings. Nevertheless, polls suggest the PSOE holds a firm lead in Andalucia, although the PP is banking on the strength of its mayors in Malaga and Cadiz, core population centers. Andalucia will be a battleground region and one where the PP needs to make some headway if it is going to win the general election. END SUMMARY.

ANDALUCIA POLITICAL BACKGROUND

12. (U) Andalucia is one of Spain's seventeen autonomous communities (roughly equivalent to U.S. states). It is also home to two Spanish military bases, Rota and Moron, the continued use of which is a key U.S. interest in Spain. Historically a region of absentee landlords and impoverished workers, Andalucia has been a stronghold of the left since Franco's death. Four-time Spanish President Felipe Gonzalez (a Seville native) started a generous program of financial subsidies to agricultural workers in the 1980s that has continued to the present day and which has ensured the PSOE a strong following. Current PSOE leader and Andalucia President Manuel Chaves, a progressive and popular politician, secured a fifth term for himself in the 2004 regional elections. Chaves formed the first regional government in Spain with more women than men (eight to six). Chaves promoted the creation of an IT development park in Andalucia and instituted a new Department of Equality and Innovation. Many of the bigger infrastructure projects, such as the extension of the AVE high-speed train link from Seville to Malaga, a new metro service in Seville, and

various road projects, received a boost under the PSOE-Zapatero-Chaves administration. Andalusia has approximately six million voters, with Seville, Malaga, and Cadiz as the largest population centers (Spain has 35 million eligible voters nationwide). In the 2004 general elections, 4.5 million people voted. Chaves in effect selected the date for this year's national election by setting the Andalusia election for March 9. PSOE strategists hope coincident regional and elections will ensure maximum voter turnout. At the national level, Andalusia has 38 PSOE and 23 PP congressional deputies, along with 24 PSOE and eight PP Senators. There are 109 seats in the Andalusian legislature with 61 currently held by the PSOE, 37 by the PP, six by the United Left (Izquierda Unida - IU) and five by the Andalusian Party (Partido Andalucista).

SOCIO-ECONOMIC SPLIT FACTORS INTO POLITICAL AFFILIATIONS

13. (SBU) Andalusia experienced an unprecedented level of development, largely based on tourism, during the last thirty years. The coastal areas are almost overwhelmed by high-rise condos, tourist resorts and hotels stretching back from the beach. In contrast, the inland economy is based primarily on agriculture. Spain produces one of the largest grape harvests in the world; in Andalusia this is centered on wine and sherry production, mainly in the Cadiz province. Jaen and southern Cordoba provinces form the world's largest olive-producing area, and Seville is surrounded by commercial citrus operations. In Almeria province, "plasticultura" industry (growing produce under plastic tenting) has transformed the landscape, despite the high cost of scarce water. Fishing was traditionally important, but fish stocks have been severely depleted and the industry has declined. While large property holders involved in agricultural production or tourism industry enjoy relative prosperity,

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there are many voters who feel disenfranchised from the "Costa del Sol" economic boom who clearly ally with PSOE objectives and call for redistribution of economic resources. Given the construction boom on the coast, there have been long-standing allegations of corruption by government officials receiving kickbacks for building permits. Neither party is immune to corruption allegations, but since PSOE dominates government it is more vulnerable to criticism. Politics in the region has long been marred by nepotism, money laundering, and property scams, from abuses of privilege under the old monarchy to the "senoritos" or dandified young heirs who took control under the Franco dictatorship. Corruption and influence-peddling were also engendered by the Socialist-implemented subsidy programs aimed at supporting poor agricultural workers; subsidies that had the unintended effect of institutionalized unemployment and rampant patronage.

PARTIDO POPULAR CONFIDENT IT WILL CARRY VOTING IN LARGE
CITIES - CADIZ, MALAGA

14. (C) Fatima Banez Garcia, PP Congressional Candidate from Huelva, said that her party was confident it would win elections in the key cities of Cadiz, Malaga, Seville, and Almeria based on the strength of affiliated mayors in those areas. With bluster, Banez dismissed recent polling that suggested the PSOE was leading in the elections. As Banez said, "the voters may now be considering some of the PSOE campaign promises, but when they go to the cast their ballot, they will vote with their gut for PP." Banez complained that Canal Sur, the regional government-sponsored television station was biased (it was set up under the PSOE in the 1980s), as well as the press that relied on regional government licensing, but she insisted Andalusians were so disenchanted with backward education and subsidy-based social

engineering that they would turn to the PP for political change this year.

15. (C) Describing Chaves as a "poor manager" whose lack of creativity resulted in a moribund educational system and economic stagnation, Banez said the people wanted candidates who could implement economic reform. "The social security system is broke," said Banez, "and people need to feel more confidence about their future and the future of their children." The PP is campaigning hard on the themes of education and economic opportunity. Claiming that Andalucia is being marginalized by mismanagement, the PP blames the PSOE for political clientism and "caciquismo." PP Andalucia President Javier Arenas is campaigning on the mismanagement theme, claiming that the Andalucia courts are being overwhelmed by cases resulting from broken contracts signed by the Chaves administration.

16. (C) Asked about PP spats between Madrid Mayor Gallardon and Madrid Community President Aguirre that captured a significant amount of national press during January, along with accusations that since PP candidate Rajoy couldn't manage his party he couldn't manage the country, Banez said that the contretemps had absolutely no impact on the Andalucia campaign, and she doubted there were any broad repercussions: it was a titillating story rather than a substantial issue.

17. (SBU) According to Banez, citizens of Andalucia self-identify as "Spanish" first and foremost. Although Andalucia has autonomous community status within the decentralized national government, she characterized Andalucians as clearly invested in a greater Spain. "Catalans and Basques are completely different animals," said Banez. Referring back to the legacy of the Spanish Civil War, Banez evoked the pain of division, of rifts between liberals and conservatives in the same family, that still lingered after more than thirty years of democracy. Banez said her motivation for public service was to create a sense of unity based on core Spanish values and create a better future for her family. Explaining the PP strategy for winning the upcoming elections, she believed that the themes of family, unity, quality education, and economic opportunity would resonate with voters disenchanted with social welfare programs.

18. (C) Surveying PP mayors gathered in Seville for a January 26 campaign strategy session, the ranking politicians all projected the vision of a bright, prosperous future. Crisp, pressed blue jeans, tailored sport coats and jackets and expensive leather accessories appeared to be the party uniform. Juan Manuel Albendea, the PP Seville Deputy in

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Congress, said that whatever economic success Spain had enjoyed over the last four years was the legacy of the previous PP administration, and that it was essential to return to PP leadership to ensure continued growth and prosperity during these uncertain times. Other mayors reiterated that view and cataloged their plans for a full complement of speeches and PP rallies in all the "alcaldeas" or townships of Andalucia. Banking on the strategy that "all politics is local", the PP counts on the mayors' ability to deliver projects that appeal to voters and demonstrate competent, professional governance. The PP will have its media team railing against PSOE inefficiency and extolling its own programs.

PSOE EQUALLY CONFIDENT IT WILL MAINTAIN THE PRESIDENCY OF THE
ANDALUCIA JUNTA

19. (SBU) Despite the PP's expressions of confidence, Andalucia is PSOE country, at least so far. Chaves says, "it is a matter of pride that when there is a problem that

affects Andalucians, there has always been a socialist to fix the situation," according to the press. Chaves convened a meeting of regional party bosses January 25 to plan their campaign strategies. Echoing one of the PSOE's national campaign themes, Chaves reportedly accused the PP of obstructionist tactics and depicting inaccurately Andalucia's image as dark and catastrophic. In contrast, Chaves termed the PSOE as the party of progress for modern Spain. In keeping with the PSOE focus on progress, Chaves promised to bring free DSL internet service to all Andalucians and to reach full employment by 2013. Other PSOE campaign promises are to construct 700,000 new housing units in the next ten years and to provide 600 euro payments to students from low-income families. The conservative Madrid newspaper ABC printed a list of unfilled Chaves campaign promises from prior elections which included providing government salaries and paid vacations for housewives (amas de casa), ensuring that all hospital rooms are single occupancy, installing elevators in all apartment blocks of more than three floors, and providing a computer for every two students in Andalusian schools.

¶10. (SBU) Basing its regional campaign on "deferred salary", Chaves and other PSOE politicians hope to maintain their voter base through indirect economic assistance including scholarships, guaranteed housing for young workers, and tax rebates. PSOE campaigners are also characterizing the PP agenda as "politics of fear" and accuse the PP of playing autonomous communities against one another. One hot topic is the allocation of desalinated water from the Carboneras plant in Andalucia. While the water is currently routed to Catalonia because of "extreme necessity", Almeria farmers ask why water is being shipped from "dry Spain" to "wet Spain". Speculation abounds that the PSOE is punishing Almeria for voting PP. Another hot topic is the "New Flame" oil freighter that wrecked off Andalucia and contaminated local waters. Andalucia PP Secretary General Antonio Sanz is attempting to get the environmental disaster reviewed by the European Parliament, claiming that Chaves and Zapatero are responsible for a bungled clean-up.

UNITED LEFT (IU), COMMUNIST PARTY AND PARTIDO ANDALUCISTA ON
THE MARGINS

¶11. (SBU) During a Sunday program at the combined IU/Communist Party headquarters in Sanlucar de Barrameda on the coast near Cadiz, party workers were displaying the Communist Party flag in the Plaza de la Paz of the historic quarter. Most of the members appeared to be in their sixties and seventies; the youngest organizer appeared to be fifty. The building's main room was dominated by a fully-stocked bar displaying prominently a framed print of Che Guevara. Asked about the IU's activities in Sanluchar and Andalucia, the chairman said that it had experienced a relative decline over the last ten years. With regard to the upcoming March elections, he said that the IU, and in his accounting, the Communist adherents would vote for PSOE candidates in the national elections. Political commentators view both the IU and Partido Andalucista as self-imploding due to internal battles. The Partido Andalucista is being superseded by a new group, the Coalicion Andalucista. Some predict the smaller parties could fail to gain any seats in the regional legislature.

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IMMIGRATION PROS AND CONS HIGHLIGHTED IN REGIONAL POLITICS

¶12. (U) Andalucia's proximity to Africa is evident in the large number of immigrant workers established in the region. In Sanluchar, the Saturday evening paseo route, where families stroll and stop to visit with friends in cafes, was

lined with sub-Saharan Africans selling counterfeit handbags and sunglasses, inexpensive artificial leather belts, polyester scarves, or other items that could be bundled up and transported easily. Sanlucar maintains its historic character as a seat of the Duke of Medina-Sidonia (the unfortunate commander of Phillip II's Armada that came to grief in the English Channel), avoiding the condo development geared at another type of immigrant, northern Europeans seeking second homes in a sunny climate. The African immigrants seem particularly out of context in quaint, quiet Sanlucar. However, they play an essential role in the "plasticultura" industry along the coast including the many small horticulture businesses that flourish near Cadiz.

¶13. (U) As soon as you drive into Andalucia from the north, the highway department includes Arabic script on the most important signs. The bilingual Spanish/Arabic markers are indicative of the vast numbers of Moroccan and other Arabic speakers who live and work in Andalucia. In addition, Andalucia is a migration route to other EU countries as workers transit via the ports at Cadiz and Algeciras. The Northern European "sun seeking, second home" immigrants also skew Andalucian politics and budget calculations. A coastal resort town might have three times as many foreign residents as Spanish citizens, making it a challenge to allocate regional financial resources in an equitable and efficient manner. Immigration is becoming a campaign issue in the March elections, with the PP emphasizing the need to acknowledge the benefits, while minimizing the negative impacts of immigration. The PP is focusing on policies to encourage integration and promotion of "traditional" Spanish values, citing statistics that Spain absorbs the second largest number of immigrants in the world, after the U.S. The PSOE tactic is to focus on the benefits of immigration and its vision of Spain as a diverse, multicultural society that can seize opportunity based on its broad population.

PSOE APPEAL TO LOW WAGE WORKERS HOLDS TRUE DURING INFORMAL SURVEY

¶14. (SBU) During the four-day swing through Andalucia, poloff polled scores of Andalucians at university or working in the service sector. Asked about their intention to vote in the March general elections and predictions for the voting outcome, almost all intended to cast a ballot. All, without exception, predicted that the PSOE would win the March general elections. The majority said that they place primary importance on social issues and that in their view, the PP reflected "Franco-style" conservatism. One taxi driver described himself as a immigrant's immigrant. He was the son of Spaniards who immigrated to Australia, where he was born, in the 70s and he had returned to live in Andalucia four years ago. He did not believe that North African or Sub-Saharan African immigrants displaced native Spanish workers, but helped the economy overall by taking lower paid temporary work. Asked about perceptions that immigrants were responsible for crime in the region, the taxi driver replied that the politicians were the real criminals with their kickback schemes. Truck drivers taking a coffee break in Loro del Rio, a small community in an intensively cultivated rural area, all professed to be solid PSOE voters. With a sanguine view on the economic outlook as it would affect their disposable income, the truckers said that they believed in the PSOE program that supported workers rights. Several students at the University of Seville expressed strongly the view that the PP was socially regressive. The PP's views on gay marriage and abortion were cited as contrary to their own view of a modern and tolerant Spain. Several public works employees in Cordoba said the PSOE had best represented the needs and concerns of laborers.

FEBRUARY 11 POLLING INDICATES THE ELECTIONS RACE IS COMPETITIVE

¶15. (C) Local political analysts note a perceived shift to the right in Andalusia since the 1990s. Although considered PSOE territory since the 1970s, by the 2000 general elections the PP managed to capture 38 percent of the Andalusia vote.

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In the 2000 elections, PSOE captured 44.2 percent, PP won 38.1 percent, IU won 8.1 percent and the Andalusian Party won 7.5 percent. According to the press, polling numbers in 2004 were also trending more in favor of the PP until the Madrid train bombings. However, the final 2004 election results were PSOE 50.2 percent, PP 31.7 percent, IU 7.5 percent and PA 6.19 percent. According to an independent poll on February 11, current forecasting predicts PSOE at 49.7 percent, PP 38.6 percent, IU 6.1 percent and the Andalusian Coalition (Coalicion Andalucista) 3.2 percent. One interpretation of the numbers is that the PSOE has picked up some voters from the marginalized smaller parties, while at the same time losing other voters to the PP. Overall, the polls indicate about the same general outcome for PSOE.

COMMENT

¶16. (C) Given the social-economic dichotomies in Andalusia, the vote is going to hinge on turnout - will the wide range of workers who benefited from PSOE-administered subsidies show up at the polls in greater numbers than the increasing numbers of middle class workers who want better education for their children and targeted investments to create economic opportunity? PP Andalusia hopes that its platform of family values, unity, quality education, and fiscal responsibility will resonate with voters and attract former socialist voters into its camp. PSOE is counting on its traditional voter strength with low wage workers and citizens who value progressive social policies. Current polling suggests a strong PSOE lead. In its effort to shift the dynamic, the PP is banking that the strength of its mayors, particularly in the core population centers of Malaga and Cadiz, will turn out citizens who want a change from the lingering social welfare model.

¶17. (C) The PP could pick up a seat here or there in Andalusia. Almeria province will have an extra seat this year, and the PP thinks it has a strong chance of winning. Cadiz PP politician Teofila Martinez is an extremely popular local official and the PP thinks she take a seat away from the PSOE this year. In Malaga, everyone anticipates a very tough race between PSOE candidate Magdalena Alvarez (Zapatero's Minister of Development) and PP candidate Celia Villalobos. Villalobos, a former PP Minister of Health, could help the PP win over social progressives since she does not always agree with the party line on issues such as abortion or gay marriage. While the PP hopes to make inroads in Seville, PSOE's Alfonso Guerra is very strong, and while his opponent, PP's Soledad Becerril is a solid politician, she can probably not break Guerra's hold on Seville. The PP may be optimistic about its chances to win over voters, but it will be difficult to break the PSOE's strong hold on Andalusia. In general elections, the PSOE has consistently outpolled the PP in each of the eight provinces of Andalusia. The exception was in 2000 when four provinces (Cadiz, Cordoba, Malaga, and Almeria) joined the Aznar landslide. By 2004, all eight provinces were back in the PSOE column. Ultimately, Andalusia is a key battleground region in which the PP needs to improve on its 2004 performance if it is going to emerge victorious in the March 9 national elections.
AGUIRRE